



August 6, 2001

To the Members of the Indianapolis City County Council:

I am pleased to present to you the 2002 Budget for the City of Indianapolis. The budget reflects my commitment to improving public safety, strengthening neighborhoods, and providing fiscally responsible leadership to the citizens of our City.

My proposed budget for the Indianapolis Police Department includes funds for 50 additional police officers to assure our progress in effective community policing. The Fire Department's budget includes funds to maintain adequate fire fighting coverage levels and to replace or upgrade fire gear and other equipment.

The 2002 budget of the Division of Permits funds additional inspectors and technology for code compliance. The budget also funds two charter schools staff - a cost directly offset by reduced consultants' fees - to administer our new charter schools sponsoring authority. This budget also includes an increase in City arts funding.

The City's tax rate will not increase. In fact, we anticipate a reduction of the rate. Assessed values are projected to grow 1% in the City's Police and Fire taxing districts and 2 to 3% in the countywide districts. With inflationary pressures exceeding revenue growth, the budget spends \$12.5 million from fund balances. At the end of 2002, fund balances are still projected to be healthy at \$143 million.

Contracts for bargaining unit employees were negotiated for the period of January 1, 1999 through December 31, 2002. Salaries for police officers and firefighters increase at the prescribed rate for 2002. Other public employee bargaining unit salaries increase 3%. The budget allows for 3% average salary increases for biweekly employees. Health insurance and life insurance costs also increase by 10% and 5% respectively. Fuel costs are projected to increase by .05 cents per gallon over the 2001 budget.

This budget pays for cleaning the City's large diameter sewers to help reduce sewer overflow problems. To improve the efficiency of City services, it continues funding technology upgrades.

My proposed budget states the goals of my Administration and provides the measures we will use to track our performance. Expenditures are presented by department. The budget is presented in a way that links our objectives with the appropriations that will fund our efforts. This budget addresses our City's needs for a safe community and reliable services while containing the growth of government. I look forward to fruitful discussions with the Council.

Sincerely,

Bart Peterson